FOCUS | NRN

KFC COMPANY PROFILE

Chicken segment hard hit, but KFC gains share

The quick-service chicken segment has been hard hit by price increases and accelerating competition from other restaurant chains. Observers even say some companies are in serious trouble.

Reports indicate Kentucky Fried Chicken has gained market share in recent months, and many sources believe it has been at the expense of other chains in the segment.

A recent Crest survey showed KFC's share of customer traffic had risen 3.5% in the last reporting period, to 45.3% of the chicken segment.

"There was pressure put on everyone by the bulge in chicken prices this summer," said John Rohs, vice president of research for Wertheim & Co. He also cited "overstoring" and "lackluster traffic trends" as causes of the sales slowdown.

Richard Sherman, president of Church's Fried Chicken, the second-biggest chain in the segment, said sales were "still soft" but "improved from what they were in the summer." He said oil-dependent markets in Texas were especially weak.

But other chains still view Church's as formidable competition, because in most markets it still offers consumers the lowest prices. "They're the Walmart of the fast-food business," said Lonnie Stout, chief executive of Winners Corp., the parent company of the Mrs. Winner's chicken chain.

Rohs expects Church's, KFC and the No. 3 chicken chain, Popeyes, to gain market share because their size gives them the "knowledge and the finances to conduct meaningful marketing campaigns."

Popeyes, the New Orleans-based chain that sells spicy, Cajun-style products, has experienced "basically flat" sales, said marketing vice president Lamar Berry.

"We have had some times when sales were not that great," Berry said, "but we're very comfortable. We're one of the few chains that have been fairly resilient."

Observers said Popeyes would survive a shakeout because it has carved out a special, marketable niche.

Church's this year rolled out a spicy chicken to compete with that of Popeyes. Church's is also involved in a joint venture with the convenience store chain 7-Eleven. Sherman declined comment on the test.

Bojangles', the nation's No. 4 chicken chain, is in trouble. Sales are down, despite the introduction of a raft of new products this year. Many units have been closed.

Parent company Horn & Hardart recently announced it was reorganizing its food-service division and might seek to spin off Bojangles' to shareholders. The chief executive, Christian Schoenleb, was forced out, and Carlos Garcia took over as head of the chain.

Industry sources say Bojangles' expanded too quickly and had problems positioning itself. Earlier this year it tried to broaden its customer base and appeal to women and families, but the campaign was not successful.

Better news comes from the Tennessee headquarters of the 172-unit Mrs. Winner's chicken chain, which many analysts had counted out in recent months. An executive shakeup occurred this year, and former financial chief Stout wound up in charge.

He said a turnaround is in the making. For the first nine months of the year, he explained, same-store sales were up 2.6%. Operating income rose more than 200% in the same period.

Like most chicken chains, Mrs. Winner's has rolled out a nonfried chicken. Its baked product accounts for 8% to 10% of sales.

Stout said his team was "studying pollo-style chicken. It definitely could be an item of the future." But consistency of product is a problem with grilled chicken.

So far the most visible chains in that subsegment are El Pollo Asado, a publicly traded company, and El Pollo Loco, owned by Denny's.

But many franchisees and industry observers believe the chicken chains' biggest competitors are the hamburger concepts, specifically McDonald's and Burger King. McDonald's, after its McNuggets rollout, became the second-biggest seller of chicken, and Burger King's new nugget product, Chicken Tenders, has won many admirers.

Some of the chicken chains have taken cues from pizza concepts and begun tests of home delivery. KFC's own test *(see story below)* is in two markets—Louisville, Ky., and Kansas City, Mo.

At Church's, Sherman said, "We're looking at it, but we haven't tried it yet. We may have a limited test in the next 60 days."

Sherman said he "had a hard time believing that home delivery would work" for chicken chains.

TOP CHICKEN CHAINS RANKED BY SYSTEMWIDE SALES

Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Latest Full
Kentucky Fried Chicken	Dec.	$3,286	3,100
Church's	Dec.	645	640
Popeyes	Oct.	399	335
Bojangles'	Dec.	212	210
Grandy's	June	204	200
Chick-Fil-A	Dec.	176	161

Source: *NRN* research, Chain Analysis

TOP CHICKEN CHAINS RANKED BY NUMBER OF UNITS

Chain	Fiscal Year Ends	Number of Units (By Fiscal Year) Current	Last Full
Kentucky Fried Chicken	Dec.	6,729	6,396
Church's	Dec.	1,585	1,549
Popeyes	Oct.	640	521
Chick-Fil-A	Dec.	350	319
Bojangles'	Dec.	307	328
Grandy's	June	180	180

Source: *NRN* research, Chain Analysis

TOP CHICKEN CHAINS RANKED BY SALES PER UNIT

Chain	Fiscal Year Ends	Sales Per Unit (Fiscal Year, in Thousands) Current	Last Full
Grandy's	June	$1,120	$1,160
Popeyes	Oct.	720	743
Bojangles'	Dec.	690	640
Kentucky Fried Chicken	Dec.	630	595
Chick-Fil-A	Dec.	540	520
Church's	Dec.	442	433

Source: *NRN* research, Chain Analysis

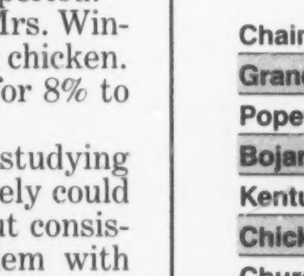
Market tests of home delivery to see cautious expansion

Determined to continue boosting incremental sales, Kentucky Fried Chicken is actively exploring the home delivery market but is expanding its market test of the concept cautiously.

"It's a lot more difficult than it appears," said Donald E. Parkinson, executive vice president, home delivery group. "We're rolling it very carefully. The only way it makes sense is if it provides enough incremental business to offset margin decreases."

The chain began testing a pioneer high-tech delivery concept more than two years ago in the Louisville, Ky., area. It links 17 company and four franchised stores with a single phone number, telephone operators and a computer system. A similar system was recently introduced to connect 20 company stores in the Kansas City, Mo., metropolitan market.

"Kentucky Fried Chicken's pursuit of home delivery is motivated by offensive interest in building profits," said Parkinson. "The technology is there, and we have a high-quality product that delivers well. The challenge is getting it to work profitably."



Parkinson

A potential problem with home delivery is that it could become a high-cost substitute for take-out.

"There is clearly some cannibalization," said Donald E. Doyle, president of KFC-USA, adding that 70% of home delivery sales are incremental.

"Whether it offers the same value-added perception pizza has," Doyle continued, "I don't know about that. The jury's still out."

Another problem may be liability insurance for drivers who will be delivering the products. At present they use their own cars and insurance.

After mediocre results based on a six-month test in Macon, Ga., where each unit handled its own telephone orders, KFC adopted a high-tech approach in Louisville and Kansas City.

In a metropolitan area, there is one phone number for placing an order. Operators take the orders and enter them into a computer. The system then transmits each order to the store closest to its origination.

At the appropriate store, a printout tells the specific order, the name and address of the customer and even more specific information on the location if it is within a four-mile radius of the unit.

An added bonus is the marketing potential provided by the data generated by the computer, Parkinson noted.

Food is delivered in an insulated box, with hot and cold items kept in separate compartments. The average order is delivered in less than 30 minutes, Parkinson said.

"From an operations standpoint it works," he noted. "In Louisville, sales are up, the customers are delirious and the operators are receptive. People support the service."

Costs include the computer system, telephones, labor and other overhead items at a base center in each metropolitan area. Units must add a rear access for delivery personnel, an additional point-of-sale terminal and an order printout machine.

Parkinson was recently named to the new position after serving as vice president and general manager of the company's Zantigo Mexican chain.

FINANCIAL NEWS

NRN Stock Index inches up .3 to 169.4

NEW YORK — The *Nation's Restaurant News* Index of 91 stocks edged up slightly, to 169.4, in the week ended Dec. 5, a 0.3-point gain.

The Dow Jones Industrial Average of 30 blue-chip stocks, meanwhile, rose 10.83 points and closed at 1,925.06. The index surged 43.03 points on Dec. 2 to close at a record 1,955.57 on investors' relief over the government's appointment of independent counsel to investigate the growing Iran-Contra arms scandal, analysts said.

On *NRN*'s list of 167 food-service, lodging and supplier companies, 60 issues rose in price, while 73 declined and 34 remained the same. Eighty-four issues traded above their previous 12-week norms, while 81 were less active and two showed no change.

Ponderosa rose $1.88, to $26.63, on volume of more than 1.9 million shares. The steakhouse chain's management said it was reviewing a tender offer made by Asher Edelman and other investors. Edelman, who owns 19% of the company, offered to buy remaining shares for $27.50 each. Meanwhile, a Ponderosa shareholder, Michael Cottle, filed suit in federal court to block the company's anti-takeover plan.

Collins Foods, a Kentucky Fried Chicken franchisee, traded about 170% above average, at 554,600 shares. Chairman and founder James Collins said he would relinquish the post of chief executive to president Richard P. Bermingham. The company said second-quarter net profit fell 40%, to $3.4 million. In other news, Staley Continental, a restaurant supplier, said it was buying Collins's distribution subsidiary for an undisclosed price.

No issue closed at a 52-week high, but several struck yearly lows. They included: Rudy's Restaurants, down 38¢, to $4.63; Winners, 25¢, to $3.50; Southern Hospitality, 13¢, to $3.13; Twistee Treat, 13¢, to $2.69; Consul, 13¢, to $1.88; Fuddruckers, 38¢, to $1.88, and Maverick, 25¢, to $1.13.

VOLUME TREND LEADERS

Consol Prods	M	498.1	Ponderosa	N	196.6
Rykoff-Sexton	N	325.6	Fort How Pap	N	188.5
Hormel, George	A	317.6	Servico Inc	M	180.0
Intl Kings Tab	M	271.6	Collins Foods	N	170.9
Max & Erma's	O	228.2	Pizza Transit Auth	O	140.2

TOP PERCENTAGE PRICE GAINERS

Taco Villa	M	21.4	Consol Prods	M	8.7
Vie de France	M	16.7	Ponderosa	N	7.6
Rymer Co	N	9.3	Pancho Mex Buffet	M	7.5
Club Med	N	9.0	Sbarro Inc	A	6.4
Perkin Fam	N	8.7	Taco Viva	M	6.3

TOP PERCENTAGE PRICE LOSERS

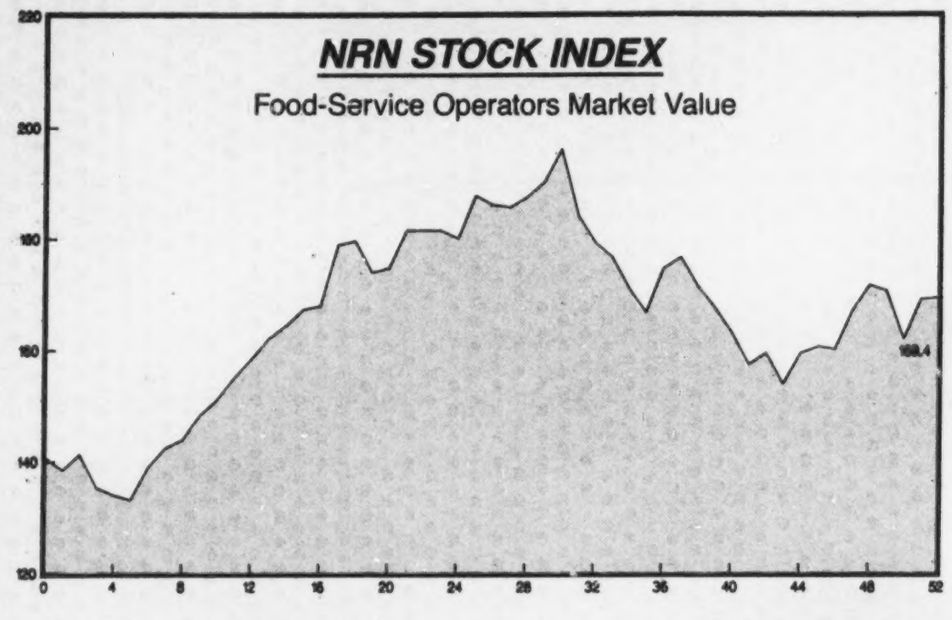
McFaddin Ven	A	- 22.2	Mortronics Inc	A	- 11.1
Maverick Rest	M	- 18.2	Lifestyle Rest	A	- 11.1
Fuddruckers Inc	M	- 16.7	Intl Kings Tab	M	- 10.4
Pizza Transit Auth	O	- 16.7	Orange Julius	M	- 8.6
El Chico	M	- 11.4	Capt Crab	M	- 8.3

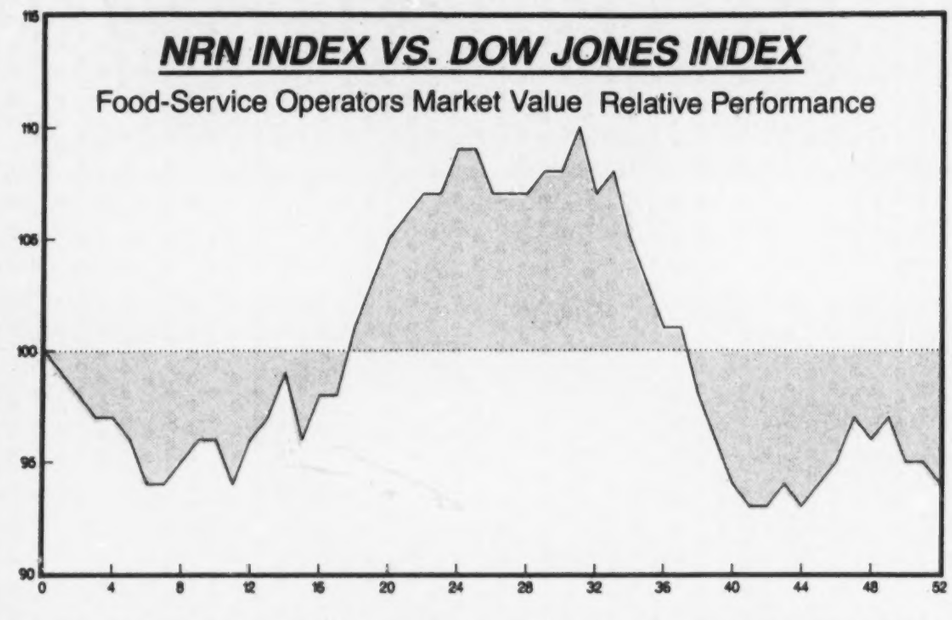
All figures represent weekly percentage change

Restaurants - NRN Stock Index Issues

Company and Market		Stock Market: 12-05-86 Close $	Weekly Change Amt. $	Weekly Change Pct. %	Weekly Price Range High $	Weekly Price Range Low $	52-Week Range High $	52-Week Range Low $	Weekly Shares Traded Total (100)	Weekly Shares Traded % Out %	12-Week Avg. Vol. As % Out %	Volume Trend Change %	P/E Ratio -	Indicated Divd. Rate Amt. $	Indicated Divd. Rate Yld. %	Latest Report New Report -	Latest Report Period -	Latest Report Date Ended -	Latest Quarter Revenue Latest $Mil	Latest Quarter Revenue Yr. Ago $Mil	Latest Quarter Net Income Latest $Mil	Latest Quarter Net Income Yr. Ago $Mil	Latest Quarter E.P.S. Latest $	Latest Quarter E.P.S. Yr. Ago $	Year-to-Date Revenue Latest $Mil	Year-to-Date Revenue Yr. Ago $Mil	Year-to-Date Net Income Latest $Mil	Year-to-Date Net Income Yr. Ago $Mil	Year-to-Date E.P.S. Latest $	Year-to-Date E.P.S. Yr. Ago $
Am Restaurants	M	2.25	.00	.0	2.25	2.25	4.13	2.00	17	.07	.10	- 30.0	NE	.00	.0	.....	fiscal	01-86	5.0	4.5	(.4)	NC	(.21)	.01	20.8	18.1	(.5)	.3	(.23)	.13
ARK Restaurants	M	4.50	.00	.0	5.25	4.50	12.25	4.50	123	.32	.47	- 31.9	18.0	.00	.0	.....	9 mos.	06-86	6.6	5.6	.2	.5	.04	.15	17.8	13.9	.5	.7	.17	.22
Assoc Hosts	M	9.63	.13	1.3	9.63	9.13	12.38	7.38	639	1.44	1.06	35.8	NE	.12	1.2	.....	9 mos.	06-86	20.7	22.8	(4.1)	.6	(.92)	.12	63.0	68.2	(3.6)	2.0	(.81)	.44
Bob Evans Farms	M	19.75	- .25	- 1.3	20.25	19.50	23.19	16.59	1,679	.74	.68	8.8	22.2	.37	1.9	NEW	6 mos.	10-86	80.3	66.2	4.9	5.6	.26	.25	153.3	128.1	9.8	10.6	.44	.47
Bombay Palace	M	4.50	.00	.0	4.50	4.38	5.44	4.00	309	1.72	2.13	- 19.2	15.0	.00	.0	.....	9 mos.	09-86	2.2	1.9	.3	.1	.06	.09	6.0	5.2	.4	.3	.20	.20
Burger Kg MLP	N	21.00	.25	1.2	21.13	20.38	24.38	17.75	650	1.60	1.25	28.0	NA	1.10	5.2	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Calny Inc	M	8.38	- .50	- 5.6	9.38	8.25	16.00	6.75	5,030	10.61	4.59	131.2	22.0	.16	1.9	.....	6 mos.	08-86	19.3	16.6	.5	.7	.10	.16	36.8	30.2	.7	1.6	.15	.35
Capt Crab	M	.69	- .06	- 8.3	0.75	0.63	1.50	.69	1,252	.80	.80	33.3	NE	.00	.0	.....	fiscal	08-86	2.4	2.6	(.1)	(2.3)	(.01)	(.14)	9.9	7.8	.0	(3.7)	.00	(.24)
Carrols Cp	N	11.00	.13	1.1	11.00	10.88	11.25	6.50	1,640	2.11	2.43	- 13.2	NE	.10	.9	.....	3 mos.	08-86	40.9	36.6	2.1	1.5	.26	.20	40.9	36.6	2.1	1.5	.26	.20
Chefs Intl	O	.13	.00	.0	0.22	0.13	.50	.13	2,243	1.16	.60	93.3	NE	.00	.0	.....	6 mos.	07-86	5.5	5.5	.0	NC	.00	NC	10.8	10.8	(.2)	NC	(.01)	NC
Chi-Chi's	M	6.63	- .13	- 1.9	6.88	6.63	11.25	6.50	10,275	3.80	3.25	16.9	24.5	.00	.0	.....	3 mos.	07-86	76.0	65.1	2.8	4.5	.10	.17	76.0	65.1	2.8	4.5	.10	.17
Chili's Inc	M	22.50	- 1.63	- 6.7	23.25	22.38	25.88	17.50	1,078	2.06	3.14	- 34.4	24.2	.00	.0	.....	3 mos.	09-86	35.6	25.3	1.5	1.3	.27	.26	35.6	25.3	1.5	1.3	.27	.26
Churchs Fr Ch	N	12.75	- .38	- 2.9	13.13	12.38	19.50	10.88	7,354	1.95	1.42	37.3	47.2	.46	3.6	.....	9 mos.	09-86	115.4	136.3	3.6	9.9	.10	.26	341.8	389.3	15.8	29.0	.42	.77
Collins Foods	N	17.25	.13	.7	17.50	16.50	19.38	11.50	5,546	2.79	1.03	170.9	27.8	.12	.7	.....	3 mos.	07-86	176.6	136.4	11.9	5.6	.57	.28	176.6	136.4	11.9	5.6	.57	.28
Concept Dev	M	6.13	.13	2.1	6.25	5.75	8.38	2.00	563	1.08	1.40	- 22.9	NE	.00	.0	.....	3 mos.	09-86	5.5	9.3	.2	(.9)	.04	(.18)	5.5	9.3	.2	(.9)	.04	(.18)
Consol Prods	M	3.13	.25	8.7	3.13	3.00	3.63	2.38	1,030	3.17	.53	498.1	NE	.08	2.6	.....	9 mos.	06-86	20.5	16.4	.4	(.1)	.15	(.02)	64.3	50.2	(.1)	.2	(.02)	.06
Consul Rest	M	1.88	- .13	- 6.3	2.00	1.88	4.25	1.88	421	.88	.93	- 5.4	NE	.00	.0	.....	3 mos.	08-86	19.7	21.8	.2	.1	.03	.02	19.7	21.8	.2	.1	.03	.02
Cracker Barrel	M	17.50	1.00	6.1	17.75	16.50	22.25	13.25	798	2.24	2.51	- 10.8	16.5	.14	.8	.....	3 mos.	10-86	23.9	20.3	1.2	1.0	.33	.28	23.9	20.3	1.2	1.0	.33	.28
Cucos Inc	O	2.50	.00	.0	3.00	2.50	9.25	2.00	4	.02	.41	- 95.1	NE	.00	.0	.....	fiscal	06-86	1.2	1.8	(1.3)	.1	(.75)	.05	9.1	6.6	(1.2)	.3	(.68)	.16
Dunkin Donuts	M	31.50	.00	.0	32.13	31.38	37.38	22.50	1,883	2.61	1.53	70.6	19.8	.28	.9	.....	9 mos.	07-86	25.2	24.1	3.2	2.8	.42	.37	78.5	70.3	9.5	8.2	1.27	1.11
El Chico	M	4.88	- .63	- 11.4	5.50	4.63	8.25	4.63	855	1.84	1.44	27.8	12.8	.00	.0	.....	3 mos.	08-86	21.7	21.9	.2	1.0	.04	.22	21.7	21.9	.2	1.0	.04	.22
El Pollo Asa	O	6.75	- .25	- 3.6	7.00	6.75	8.38	4.63	706	1.88	2.29	- 17.9	NM	.00	.0	.....	6 mos.	09-86	2.3	1.6	.2	.2	.04	.05	4.6	3.0	.2	.2	.05	.06
El Torito Rest	N	20.00	.13	.6	20.25	19.88	20.50	10.63	1,195	1.07	1.21	- 11.6	21.5	.08	.4	.....	9 mos.	09-86	101.0	84.2	3.0	2.3	.26	.20	292.6	234.5	8.6	8.5	.75	.74
Famous Rest	M	1.88	.00	.0	2.00	1.88	2.63	1.38	571	.95	1.19	- 20.2	NM	.00	.0	.....	9 mos.	09-86	14.2	11.9	.0	NC	.00	.01	46.3	40.5	.4	.3	.06	.06
Fast Food Oper	O	.38	.00	.0	0.44	0.38	.75	.25	130	.22	.69	- 68.1	NE	.00	.0	.....	6 mos.	06-86	2.0	1.9	.1	.1	(.01)	.01	3.7	3.7	.1	.1	(.02)	.01
Folks Rest	O	.25	.00	.0	0.63	0.25	.75	.25	18	.12	.08	50.0	NE	.00	.0	.....	6 mos.	06-86	.8	2.2	.0	NC	(.03)	.01	1.9	3.9	(.8)	(.3)	(.53)	(.17)
Frisch's	A	36.38	- .19	- .5	36.88	35.63	40.66	19.59	120	.25	.65	- 61.5	49.2	.22b	.6	.....	3 mos.	08-86	43.9	41.0	1.1	.9	.22	.18	43.9	41.0	1.1	.9	.22	.18
Fuddruckers Inc	M	1.88	- .38	- 16.7	2.00	1.88	7.13	1.88	2,895	4.28	2.69	59.1	NE	.00	.0	.....	6 mos.	06-86	16.8	13.8	(.7)	.4	(.12)	.06	33.2	23.9	(2.7)	.5	(.41)	.08
Hamburg Hamlet	M	6.00	- .50	- 7.7	6.75	6.00	7.75	3.19	101	.30	.22	36.4	13.3	.00b	.0	.....	6 mos.	09-86	11.1	9.5	.1	.3	.04	.09	21.8	18.9	.2	.7	.07	.22
Intl Dairy Queen a	M	24.50	- .25	- 1.0	24.75	24.25	35.50	14.00	233	.24	.53	- 54.7	19.9	.00	.0	.....	9 mos.	08-86	56.1	52.0	5.0	4.2	.51	.43	146.8	127.6	10.3	8.1	1.06	.81
Intl Kings Tab	M	17.25	- 2.00	- 10.4	18.50	16.75	30.00	17.25	5,905	20.40	5.49	271.6	55.6	.00	.0	.....	3 mos.	09-86	20.9	18.9	1.0	1.1	.36	.38	20.9	18.9	1.0	1.1	.36	.38
JB Restaurant	M	6.00	.00	.0	6.13	5.88	12.13	5.75	894	1.84	2.87	- 35.9	NE	.00	.0	.....	fiscal	09-86	26.0	26.8	.8	.6	.17	.12	107.5	96.3	(3.3)	2.4	(.67)	.60
Jerrico Inc	M	19.75	.00	.0	19.88	19.38	26.38	16.03	7,584	3.87	4.21	- 8.1	15.2	.12	.6	.....	3 mos.	09-86	153.2	139.7	7.4	7.2	.35	.34	153.2	139.7	7.4	7.2	.35	.34
Kapok Cp	A	2.63	.13	5.0	2.63	2.25	5.88	2.00	71	.28	.51	- 45.1	NE	.00	.0	.....	9 mos.	06-86	2.9	2.7	(.6)	1.1	(.23)	.40	9.4	7.6	(1.1)	4.9	(.44)	2.01
Karcher Carl	M	17.88	.75	4.4	19.00	17.13	20.50	13.63	2,842	4.01	2.10	91.0	23.5	.00	.0	.....	9 mos.	10-86	74.2	75.1	1.8	1.5	.25	.22	240.8	249.7	4.2	3.8	.59	.54
Lifestyle Rest	A	1.00	- .13	- 11.1	1.25	1.00	2.25	.88	337	.59	.39	51.3	NE	.00	.0	.....	9 mos.	07-86	18.0	18.1	(.4)	(.6)	(.07)	(.12)	53.7	59.8	(1.8)	(4.8)	(.32)	(.85)
Luby's Cafe	N	25.88	- .38	- 1.4	26.38	25.38	29.09	22.50	1,154	.63	.41	53.7	21.6	.44	1.7	.....	fiscal	08-86	57.3	51.5	6.3	5.8	.34	.31	215.1	196.0	21.9	19.6	1.20	1.07
Marcus Corp	M	23.75	- 1.25	- 5.0	24.75	23.75	29.75	18.88	110	.22	.25	- 12.0	13.9	.33	1.4	.....	3 mos.	08-86	38.5	36.1	3.2	3.2	.53	.52	38.5	36.1	3.2	3.2	.53	.52
Marriott Corp	N	31.38	.63	2.0	32.13	29.75	38.19	20.63	12,569	.95	.93	2.2	22.9	.16	.5	.....	9 mos.	09-86	1295.3	989.0	49.2	44.8	.36	.33	3416.3	2845.5	135.5	115.6	.99	.86
Maverick Rest	M	1.13	- .25	- 18.2	1.38	1.13	2.63	1.13	244	.49	.21	133.3	NE	.00	.0	NEW	9 mos.	10-86	3.8	3.5	(.1)	.1	(.03)	.01	11.1	9.9	.0	NC	.00	(.01)
Max & Erma's	O	1.75	.00	.0	2.00	1.75	2.25	1.38	231	1.28	.39	228.2	NE	.00	.0	.....	9 mos.	07-86	3.7	4.0	.0	(.2)	(.03)	(.12)	12.7	12.6	(.3)	(.1)	(.19)	(.07)
McDonald's Cp	N	63.25	- .13	- .2	66.13	62.13	76.75	48.69	24,605	1.93	1.61	19.9	17.4	.66	1.0	.....	9 mos.	09-86	1133.7	1014.6	142.3	128.1	1.11	.99	3151.9	2778.8	366.2	329.5	2.84	2.53
McFaddin Ven	A	1.75	- .50	- 22.2	2.13	1.75	7.00	1.63	188	.34	.36	- 5.6	25.0	.00	.0	.....	9 mos.	08-86	16.5	18.3	(.3)	1.3	(.05)	.23	52.2	48.1	.1	3.9	.01	.78
Morrison Inc	M	24.00	- .25	- 1.0	24.38	24.00	25.38	17.50	1,710	1.19	1.50	- 20.7	29.3	.48b	2.0	.....	3 mos.	08-86	141.7	128.8	5.7	4.9	.40	.34	141.7	128.8	5.7	4.9	.40	.34
Mortronics Inc	A	2.00	- .25	- 11.1	2.25	1.88	2.75	1.13	1,951	2.03	.92	120.7	NM	.00	.0	.....	6 mos.	08-86	5.0	2.6	.2	.3	.03	.06	9.0	8.0	.3	.1	.04	.02
Mr Steak	O	.88	.00	.0	1.00	0.88	1.63	.38	720	1.49	2.70	- 44.8	NE	.00	.0	.....	9 mos.	06-86	7.0	7.0	(.4)	(.5)	(.08)	(.11)	21.6	21.8	(.9)	(.6)	(.18)	(.14)
Nathans	M	6.63	.13	1.9	6.63	6.38	7.50	3.38	607	2.68	2.82	- 5.0	22.8	.07	1.1	.....	6 mos.	09-86	6.9	6.9	.5	.4	.21	.19	13.1	13.5	1.0	.9	.45	.40
Natl Pizza	M	16.13	.13	.8	16.13	16.00	18.00	11.25	318	.42	.49	- 14.3	20.7	.00	.0	.....	6 mos.	09-86	22.7	16.2	1.7	1.6	.23	.19	42.1	31.2	3.5	3.0	.46	.39
Noble Roman	O	6.25	.00	.0	6.50	6.25	7.00	4.50	34	.28	.53	- 47.2	NE	.00	.0	.....	6 mos.	06-86	5.3	5.5	(2.7)	(.1)	(2.21)	(.02)	10.5	10.2	(3.4)	(.2)	(2.80)	(.13)
Old Fashion Fd	M	4.81	.06	1.3	4.81	4.75	5.75	4.25	17	.12	.67	- 82.1	10.9	.00	.0	.....	3 mos.	08-86	3.9	3.7	.2	.1	.12	.10	3.9	3.7	.2	.1	.12	.10
Old Spag Wrehse	M	3.75	.00	.0	4.25	3.75	8.25	3.25	38	.25	.74	- 66.2	NE	.00	.0	.....	3 mos.	09-86	4.2	3.7	.1	.1	.09	.10	4.2	3.7	.1	.1	.09	.10
Pancho Mex Buffet	M	10.75	.75	7.5	11.50	10.25	12.97	7.28	525	1.28	.72	77.8	17.9	.13b	1.2	.....	fiscal	09-86	11.5	9.5	.9	.7	.21	.18	42.6	35.6	2.6	1.9	.60	.52
Perkin Fam	N	12.50	1.00	8.7	12.63	11.25	13.13	11.00	523	1.04	NC	NC	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Piccadilly Caf	M	20.25	.25	1.3	20.25	20.00	25.75	16.56	1,255	1.33	.61	118.0	15.0	.48	2.4	.....	3 mos.	09-86	54.6	50.3	3.0	2.6	.32	.27	54.6	50.3	3.0	2.6	.32	.27
Pizza Inn	A	10.88	.25	2.4	10.88	10.38	12.25	6.25	381	1.15	2.02	- 43.1	60.4	.08	.7	.....	9 mos.	09-86	48.5	50.0	(.9)	.1	NC	(.01)	165.8	148.3	1.7	.5	.53	.16
Pizza Transit Auth	O	.31	- .06	- 16.7	0.38	0.28	2.63	.28	580	2.57	1.07	140.2	NE	.00	.0	.....	9 mos.	05-86	.1	.3	(.1)	NC	(.06)	(.01)	.6	.7	(.7)	(.2)	(.32)	(.10)
Po-Folks	M	4.25	- .13	- 2.9	4.38	4.13	11.75	3.88	162	.37	2.28	- 83.8	NE	.00	.0	.....	fiscal	09-86	44.5	42.8	(5.5)	1.2	(1.23)	.25	166.3	142.6	(7.7)	3.6	(1.72)	.83
Ponderosa	N	26.63	1.88	7.6	26.75	23.50	27.75	12.25	19,457	19.96	6.73	196.6	21.3	.40	1.5	.....	9 mos.	11-86	120.2	113.4	2.6	2.3	.27	.24	380.6	348.3	13.0	4.6	1.34	.48
Primo Inc	O	.56	.00	.0	0.69	0.56	2.19	.38	189	.53	.83	- 36.1	NE	.00	.0	.....	9 mos.	06-86	1.6	1.2	.0	.1	.01	.01	4.4	3.0	.1	.3	.03	.08
RAX Restaurants	M	5.88	.00	.0	5.88	5.63	9.75	5.13	498	.72	1.25	- 42.4	73.4	.00	.0	NEW	3 mos.	10-86	31.1	32.1	.3	.3	.05	.04	31.1	32.1	.3	.3	.05	.04
Rest Assoc B	A	9.00	.38	4.3	9.00	8.13	12.00	5.75	137	.31	.25	24.0	8.8	.00	.0	.....	9 mos.	09-86	54.4	35.9	1.5	1.2	.28	.28	144.5	104.9	3.3	1.5	.64	.37
Rest Mgmt	M	9.00	.00	.0	9.00	8.50	13.41	8.25	145	.47	1.24	- 62.1	17.3	.07	.8	.....	9 mos.	07-86	8.8	8.5	.6	.5	.13	.12	29.5	26.7	1.7	1.5	.41	.41
Restec	O	3.00	.00	.0	3.50	3.00	3.25	2.75	5	.03	.23	- 87.0	NE	.00	.0	.....	fiscal	06-86	2.0	1.2	(.1)	(.1)	(.07)	(.02)	6.8	4.7	(.4)	(.1)	(.23)	(.05)
Ritzys G D	M	1.31	.00	.0	1.44	1.31	2.75	.94	332	.54	.63	- 14.3	NE	.00	.0	.....	9 mos.	09-86	2.5	3.8	(.5)	(3.1)	(.08)	(.60)	7.2	10.7	(1.0)	(4.1)	(.16)	(.79)
Rudy's Restaurant	M	4.63	- .38	- 7.5	4.88	4.63	7.63	4.63	267	1.03	.73	41.1	NE	.00	.0	.....	6 mos.	03-86	3.9	3.7	(.2)	.1	(.08)	.04	7.9	7.3	(.4)	.2	(.16)	.08
Rusty Pelican	M	8.25	- .50	- 5.7	8.63	8.13	15.00	5.00	453	1.60	7.14	- 77.6	NE	.00	.0	.....	3 mos.	10-86	13.0	14.3	.0	.3	.02	.10	13.0	14.3	.0	.3	.02	.10
Ryans Family	M	22.25	.25	1.1	22.25	22.00	25.75	9.56	4,933	2.87	2.44	17.6	37.7	.00	.0	.....	9 mos.	09-86	28.6	13.0	2.8	1.3	.17	.08	75.3	35.9	7.8	3.7	.47	.23
Sandwich Chef	M	6.50	- .25	- 3.7	6.75	6.00	9.88	6.13	117	.94	1.09	- 13.8	15.5	.00	.0	.....	3 mos.	09-86	7.5	7.3	.1	.2	.05	.16	7.5	7.3	.1	.2	.05	.16
Sbarro Inc	A	14.63	.88	6.4	14.75	13.75	20.13	8.25	694	.79	.73	8.2	26.1	.00	.0	.....	9 mos.	09-86	15.6	9.3	1.4	1.0	.16	.14	37.7	22.2	2.9	1.9	.35	.28
Sea Galley	M	2.25	.00	.0	2.25	2.25	5.00	2.00	304	1.05	1.42	- 26.1	NE	.00	.0	.....	9 mos.	09-86	13.3	14.6	(1.7)	.1	(.58)	.05	42.2	44.5	(1.6)	2.4	(.54)	.75
Shoney's Inc	M	27.25	.25	.9	27.75	27.00	30.81	19.69	4,919	1.36	1.35	.7	23.1	.14	.5	.....	9 mos.	07-86	154.1	132.7	12.5	10.4	.34	.29	472.7	409.3	33.2	27.6	.91	.77
Shoney's South	M	13.75	- .50	- 3.5	14.25	13.75	18.63	12.00	892	1.24	.86	44.2	13.2	.00	.0	.....	9 mos.	09-86	48.7	43.6	2.0	1.7	.30	.30	153.3	137.6	5.7	4.7	.91	.81
SIS Cp	M	5.75	- .25	- 4.2	5.75	5.25	7.00	5.25	134	.86	.48	79.2	NM	.00	.0	.....	9 mos.	09-86	4.4	4.0	.1	.1	.03	.06	11.6	9.9	.1	NC	.04	NC
Sizzler Rest Intl	M	16.50	- .25	- 1.5	17.00	16.25	18.84	10.34	3,420	2.00	1.43	39.9	21.4	.00	.0	NEW	6 mos.	10-86	58.6	44.0	2.9	3.1	.17	.19	116.6	90.4	6.7	6.1	.40	.39
Skippers	M	8.25	- .25	- 2.9	8.50	8.25	11.00	7.63	160	.59	.81	- 27.2	NE	.08	1.0	.....	9 mos.	09-86	18.1	17.2	.5	.6	.14	.21	54.8	48.7	.1	1.7	.05	.62
So Hospitality	M	3.13	- .13	- 3.8	3.25	3.13	5.63	3.13	362	.73	.73	.0	26.0	.00	.0	.....	3 mos.	08-86	12.0	12.2	.4	.7	.07	.15	12.0	12.2	.4	.7	.07	.15
Stuff Yer Face	O	.16	.00	.0	0.19	0.16	.41	.13	350	.23	.21	9.5	NE	.00	.0	.....	3 mos.	06-86	.6	.6	.0	(.1)	.00	(.01)	.6	.6	.0	(.1)	.00	(.01)
Swensens Inc	O	1.00	.00	.0	1.13	1.00	1.50	.75	98	.22	.22	.0	NE	.00	.0	.....	9 mos.	09-86	2.5	2.7	.0	.1	.01	.02	7.4	8.0	(.2)	(.2)	(.05)	(.02)
Sybra Inc	M	10.00	.00	.0	10.00	10.00	13.00	10.00	171	.83	.58	43.1	8.9	.00	.0	.....	3 mos.	08-86	15.9	14.4	.7	.7	.28	.25	15.9	14.4	.7	.7	.28	.25
Taco Villa	M	4.25	.75	21.4	4.25	3.50	4.63	2.75	162	.19	.08	137.5	NE	.00	.0	.....	9 mos.	08-86	21.9	22.4	(.8)	(.3)	(.10)	(.04)	65.2	56.5	(.9)	NC	(.11)	NC
Taco Viva	M	2.13	.13	6.3	2.13	1.88	3.50	1.88	432	1.31	.74	77.0	NE	.00	.0	.....	3 mos.	08-86	6.6	6.3	.0	NC	(.01)	(.01)	6.6	6.3	.0	NC	(.01)	(.01)
TGI Friday's	N	7.00	- .13	- 1.8	7.38	6.88	10.00	6.75	690	.61	.62	- 1.6	30.4	.00	.0	.....	9 mos.	09-86	95.2	79.7	.3	1.7	.01	.09	269.5	236.1	3.5	8.7	.19	.48
TGIF Texas	O	.50	.00	.0	0.88	0.50	2.00	.50	0	.00	.02	-100.0	NE	.00	.0	.....	fiscal	12-85	3.1	3.2	(.2)	(.2)	(.14)	(.12)	12.9	11.5	(.8)	(.5)	(.52)	(.32)
TCBY Enterprises	M	19.25	- .50	- 2.5	19.75	18.75	39.53	8.72	4,208	2.53	3.23	- 21.7	47.0	.00	.0	.....	9 mos.	08-86	10.8	6.0	3.2	1.2	.18	.07	23.7	12.3	6.0	2.2	.35	.14
Transworld	N	36.88	- 1.50	- 3.9	38.38	36.63	42.63	22.25	12,546	2.71	10.17	- 73.4	10.9	.40	1.1	.....	9 mos.	09-86	678.6	487.4	23.5	36.8	.45	.64	1949.9	1496.9	54.4	83.9	1.02	1.43
Tsumura Rest	M	2.69	- .13	- 4.4	2.88	2.69	5.06	2.69	1

NOTES AND EXPLANATIONS: Market: N—New York Stock Exchange. A—American Stock Exchange. O—NASDAQ Over-The-Counter. M—NASDAQ National Market. **Reporting Period:** 3 mos.—First quarter of fiscal year. 6 mos.—First six months of fiscal year. 9 mos.—First nine months of fiscal year. fiscal—Fiscal year. NEW—New report since last issue. **General Field Footnotes:** NA—Not available or not applicable. NC—Data required for calculation currently incomplete in our files. NE—Negative earnings invalidate calculations. NM—No meaningful figure. a—stock dividend. b—cash plus stock dividend. **The Charts:** The *NRN* Stock Index calculates the per cent change in the market value of food-service operators since Oct. 28, 1983. The *NRN* Stock Index vs. Dow Jones Index calculates the relative performance of the two indexes from their levels of 52 weeks ago.




NRN INDEX VS. DOW JONES INDEX
Food-Service Operators Market Value Relative Performance
115
110
105
100
95
90
0 4 8 12 16 20 24 28 32 36 40 44 48 52
Jan. Feb. March April May June July Aug. Sept. Oct. Nov. Dec.

Source: Media General Financial Services

Oct. 28, 1983 = 100

Stock Market / Financial Update

Company and Market	12-05-86 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Latest	Latest Quarter: Revenue Yr. Ago	Latest Quarter: Net Income Latest	Latest Quarter: Net Income Yr. Ago	Latest Quarter: E.P.S. Latest	Latest Quarter: E.P.S. Yr. Ago	Year-to-Date: Revenue Latest	Year-to-Date: Revenue Yr. Ago	Year-to-Date: Net Income Latest	Year-to-Date: Net Income Yr. Ago	Year-to-Date: E.P.S. Latest	Year-to-Date: E.P.S. Yr. Ago
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	$Mil	$Mil	$Mil	$	$	$Mil	$Mil	$Mil	$Mil	$	$
Hotels, Motels, and Casinos																													
Brock Hotel ..... N	8.13	- .25	- 3.0	8.50	8.00	93.75	6.25	565	.86	.97	- 11.3	NE	.00	.0	.....	9 mos.	09-86	42.5	55.8	.2	(39.1)	(.49)	(42.50)	136.9	184.5	.8	(38.9)	.13	(42.00)
Club Med ..... N	24.25	2.00	9.0	24.25	22.00	32.25	21.25	1,281	.93	.46	102.2	20.2	.20	.8	.....	9 mos.	07-86	73.5	62.3	(2.3)	(2.4)	(.17)	(.18)	266.8	221.5	17.7	15.5	1.29	1.13
Golden Nugget ..... N	10.00	- .13	- 1.2	10.13	9.88	16.00	9.63	3,880	1.18	1.15	2.6	83.3	.00	.0	.....	9 mos.	09-86	102.9	104.3	5.8	8.3	.16	.24	288.7	294.4	10.4	29.3	.31	.84
Hilton Hotels ..... N	71.63	1.88	2.7	73.13	69.25	80.25	60.50	1,661	.67	.95	- 29.5	17.8	1.80	2.5	.....	9 mos.	09-86	189.0	169.2	23.8	20.4	.95	.82	543.4	528.1	71.7	71.4	2.87	2.87
Holiday Cp ..... N	69.25	- .13	- .2	71.38	68.63	81.00	54.25	12,205	4.97	8.98	- 44.7	14.8	1.16	1.7	.....	9 mos.	09-86	447.5	489.8	35.4	50.8	1.44	1.83	1256.0	1387.3	93.3	116.7	3.69	4.07
LaQuinta Mot ..... N	12.00	- .63	- 5.0	12.63	11.75	19.75	11.38	1,945	1.42	1.73	- 17.9	37.5	.00	.0	.....	3 mos.	08-86	54.1	50.0	2.5	4.0	.18	.27	54.1	50.0	2.5	4.0	.18	.27
Prime Mtr Inn ..... N	36.50	1.13	3.2	37.38	34.75	45.38	24.50	6,452	2.21	1.78	24.2	25.2	.08	.2	.....	3 mos.	09-86	90.1	74.5	11.8	7.8	.40	.30	90.1	74.5	11.8	7.8	.40	.30
Ramada Inc ..... N	6.88	- .25	- 3.5	7.25	6.75	11.00	6.13	8,586	2.16	1.49	45.0	24.6	.00	.0	.....	9 mos.	09-86	195.5	157.1	7.0	4.5	.18	.28	510.4	444.5	8.6	11.5	.22	.31
Resorts Intl A ..... A	47.38	- 3.13	- 6.2	50.50	47.25	77.00	41.50	1,236	1.92	2.29	- 16.2	NE	.00	.0	.....	9 mos.	09-86	117.3	87.9	38.3	1.9	5.95	.29	344.6	325.8	(8.5)	7.8	(1.32)	1.20
Servico Inc ..... M	19.50	- .50	- 2.5	20.25	19.50	26.63	16.75	427	1.12	.40	180.0	NM	.00	.0	.....	*	09-86	NC	NC	NC	NC	NC	NC	42.3	NC	1.4	NC	.37	NC
Sonesta Intl ..... M	13.75	.00	.0	13.75	11.25	15.00	10.50	3	.01	.02	- 50.0	3.2	.20	1.5	.....	9 mos.	09-86	17.2	19.8	14.0	.5	7.30	.16	52.8	52.7	15.9	(.7)	5.21	(.25)
Utd Inns ..... N	40.00	- .25	- .6	40.63	40.00	51.75	39.50	48	.18	.51	- 64.7	NE	.00	.0	.....	9 mos.	06-86	42.3	43.7	(1.4)	.7	(.68)	.28	123.8	128.4	(1.6)	1.5	(.61)	.59
Other Companies with Food-Service Operations																													
Allegheny Bev ..... M	10.38	.50	5.1	10.38	9.75	30.00	8.75	2,026	2.47	5.00	- 50.6	NE	.40	3.9	.....	6 mos.	09-86	286.3	304.5	(8.2)	4.1	(1.01)	.29	587.8	529.8	(10.6)	74.0	(1.29)	11.23
Benihana Natl ..... M	6.50	.00	.0	6.50	6.00	13.63	6.00	112	.33	1.03	- 68.0	NE	.00	.0	NEW	6 mos.	09-86	18.9	15.6	(2.2)	.1	(.62)	.03	46.0	43.7	(3.4)	1.2	(.98)	.39
Disney Walt Co ..... N	44.63	1.50	3.5	45.50	42.50	54.88	25.41	19,752	1.52	1.65	- 7.9	24.5	.32	.7	.....	fiscal	09-86	726.4	590.5	81.1	53.8	.59	.40	2470.9	2015.4	247.3	173.5	1.82	1.29
Flanigan Ents ..... A	4.13	.00	.0	4.13	4.00	5.50	3.50	50	.54	.43	25.6	NE	.00	.0	.....	9 mos.	06-86	7.5	12.8	(3.2)	NC	(2.93)	(.06)	29.3	44.7	(2.1)	.4	(1.73)	.40
Gen Mills ..... N	43.00	- 1.63	- 3.6	44.75	43.00	47.38	28.25	11,212	1.25	1.91	- 34.6	19.8	1.28	3.0	.....	3 mos.	08-86	1186.4	1067.9	59.1	48.9	.66	.55	1186.4	1067.9	59.1	48.9	.66	.55
Grace W R ..... N	53.63	.88	1.7	56.00	52.00	60.75	44.00	11,747	2.83	3.55	- 20.3	18.2	2.80	5.2	.....	9 mos.	09-86	1321.2	1758.1	4.4	25.3	.10	.41	3982.2	5246.9	87.7	102.2	2.08	1.96
Hershey Foods ..... N	25.63	.63	2.5	25.88	23.88	29.88	15.50	15,391	1.64	1.15	42.6	18.4	.54	2.1	.....	9 mos.	09-86	596.4	525.3	43.5	31.9	.46	.33	1554.6	1455.3	95.1	76.7	1.01	.81
Horn & Hardart ..... A	14.75	.88	6.3	15.25	13.25	19.25	6.50	4,800	3.35	7.06	- 52.5	NE	.00	.0	.....	9 mos.	09-86	92.0	84.1	(37.1)	(5.9)	(2.60)	(.50)	279.0	257.7	(43.1)	(7.6)	(3.10)	(.66)
LDBrinkman Cp ..... M	5.25	- .38	- 6.7	5.50	5.25	9.88	5.25	922	1.54	1.73	- 11.0	25.0	.00	.0	.....	fiscal	07-86	62.4	57.9	(1.3)	(9.8)	(.24)	(.86)	249.0	246.0	2.0	1.2	.21	.08
Ogden Corp ..... N	45.25	- .50	- 1.1	47.00	45.00	48.00	27.50	2,569	1.34	1.92	- 30.2	NE	1.80	4.0	.....	9 mos.	09-86	76.4	263.8	11.4	4.5	.57	.22	616.0	766.1	31.7	21.9	1.62	1.12
Orange Julius ..... M	4.00	- .38	- 8.6	4.25	3.88	9.00	3.75	71	.40	.71	- 43.7	NE	.00	.0	.....	6 mos.	06-86	37.4	37.7	(.5)	(.4)	(.24)	(.21)	74.7	75.4	(.9)	(.7)	(.47)	(.42)
Pasquale Fd ..... M	18.25	- .25	- 1.4	18.25	18.13	19.00	8.91	24	.10	.37	- 73.0	36.5	.02	.1	.....	9 mos.	06-86	19.4	18.1	1.2	.9	.15	.11	57.0	49.8	3.1	2.2	.40	.29
PepsiCo Inc ..... N	27.25	- .38	- 1.4	28.50	26.75	35.63	21.97	44,[illegible]	1.71	1.51	13.2	16.5	.84	2.3	.....	9 mos.	09-86	2532.8	2071.8	151.8	135.3	.58	.49	6503.9	5636.2	341.2	454.4	1.31	1.60
Pillsbury Co ..... N	36.00	- 2.13	- 5.6	39.63	35.88	41.19	29.19	21,[illegible]	2.51	1.51	66.2	14.7	1.00	2.8	.....	3 mos.	08-86	1382.8	1227.8	47.9	42.7	.55	.49	1382.8	1227.8	47.9	42.7	.55	.49
RJR Nabisco ..... N	50.50	- 1.38	- 2.7	52.88	50.50	55.13	27.88	30,998	1.24	1.14	8.8	13.3	1.60	3.2	.....	9 mos.	09-86	4085.0	4764.0	268.0	257.0	.97	.91	13992.0	11066.0	750.0	667.0	2.82	2.43
Southland Corp ..... N	51.75	- 2.00	- 3.7	54.25	51.75	60.50	40.38	12,504	2.62	2.64	- .8	11.8	1.12	2.2	.....	9 mos.	09-86	480.9	3342.3	183.8	79.3	3.78	1.65	6499.3	9479.0	176.9	169.0	3.53	3.55
Vie de France ..... M	6.13	.88	16.7	6.25	5.25	8.63	4.75	925	.85	1.16	- 26.7	21.9	.23	3.8	.....	3 mos.	09-86	14.7	14.3	.8	1.0	.08	.10	14.7	14.3	.8	1.0	.08	.10
Manufacturers and Distributors																													
Alco Standard ..... N	42.88	.63	1.5	43.38	41.88	46.75	35.50	1,317	.65	.57	14.0	13.2	1.28	3.0	.....	fiscal	09-86	1115.0	1036.8	26.2	5.6	1.24	.26	4323.1	3823.1	69.2	51.4	3.24	2.32
Anchor Hocking ..... N	31.50	.88	2.9	31.88	30.00	35.00	23.25	1,644	1.56	2.83	- 44.9	NE	1.48	4.7	.....	9 mos.	09-86	187.9	180.5	1.8	5.3	.18	.51	554.5	532.5	4.8	10.0	.46	.96
Angelica ..... N	24.75	- .25	- 1.0	25.75	24.75	29.75	22.00	551	.59	.72	- 18.1	14.4	.64	2.6	.....	9 mos.	10-86	75.3	70.7	4.6	4.8	.49	.51	215.1	201.1	12.3	13.4	1.32	1.44
Anheuser Bu ..... N	27.13	.75	2.8	27.88	25.75	29.06	19.19	46,967	1.71	1.05	62.9	17.3	.48	1.8	.....	9 mos.	09-86	2022.0	1831.9	158.0	143.6	.51	.46	5749.8	5302.4	406.6	364.5	1.32	1.17
Borden Inc ..... N	49.50	- 2.50	- 4.8	51.13	49.13	52.50	31.78	13,293	1.78	1.19	49.6	17.7	1.12	2.3	.....	9 mos.	09-86	1272.4	1199.5	65.9	57.1	.89	.74	3645.7	3469.6	154.5	138.1	2.07	1.77
Bridgford Fds ..... M	6.00	.25	4.3	6.00	6.00	7.75	4.25	2	.02	.11	- 81.8	26.1	.00	.0	.....	6 mos.	04-86	13.4	12.7	.1	.1	.09	.04	27.0	25.7	.2	.2	.19	.14
Campbell Soup ..... N	62.38	2.00	3.3	63.75	59.25	68.50	44.00	5,156	.79	.62	27.4	17.6	1.44	2.3	.....	3 mos.	10-86	1114.6	1077.6	58.7	51.8	.90	.80	1114.6	1077.6	58.7	51.8	.90	.80
Canandaigua W ..... A	26.25	- .25	- .9	26.75	26.25	38.50	18.75	36	.19	.32	- 40.6	4.8	.00	.0	.....	9 mos.	05-86	55.0	35.9	2.4	1.9	1.25	1.00	117.7	87.6	6.0	5.0	3.13	2.60
Carling OKeef ..... N	9.25	.00	.0	9.38	9.13	11.75	8.38	151	.07	.09	- 22.2	NA	.48	NA	.....	6 mos.	09-86	255.6	262.4	4.2	2.5	.17	.09	504.4	504.0	9.8	3.7	.40	.12
Castle & Cooke ..... N	19.50	.13	.6	20.25	18.88	20.25	12.38	7,828	1.67	1.23	35.8	NE	.00	.0	.....	*	09-86	NC	NC	NC	NC	NC	NC	1412.2	NC	75.8	NC	1.41	NC
Clorox Co ..... N	53.13	3.00	6.0	53.38	50.00	60.38	44.00	5,183	1.94	1.40	38.6	14.4	1.52	2.9	.....	3 mos.	09-86	273.8	285.1	29.0	26.4	1.09	1.00	273.8	285.1	29.0	26.4	1.09	1.00
Coca Cola Co ..... N	38.13	1.63	4.5	39.00	35.38	44.88	25.56	67,318	1.74	1.00	74.0	18.3	1.04	2.7	.....	9 mos.	09-86	2748.1	2172.7	233.1	195.6	.80	.49	7113.4	5967.0	619.8	532.9	1.60	1.35
Coors, Adolph ..... M	24.63	- .25	- 1.0	24.63	24.25	31.63	19.13	4,738	1.31	1.36	- 3.7	14.0	.50	2.0	.....	9 mos.	09-86	415.0	405.4	18.9	17.8	.52	.51	1033.0	1002.2	55.4	45.6	1.54	1.30
ConAgra ..... N	31.13	1.13	3.8	32.13	29.56	32.13	19.44	7,006	1.07	.92	16.3	19.3	.58	1.9	.....	3 mos.	08-86	1771.1	1575.8	27.8	22.6	.41	.33	1771.1	1575.8	27.8	22.6	.41	.33
Corning Glass ..... N	57.75	2.75	5.0	59.00	53.75	81.50	46.63	10,991	2.54	1.95	30.3	15.4	1.40	2.4	.....	9 mos.	09-86	549.0	474.5	46.6	9.7	1.04	.23	1419.5	1292.4	135.3	79.1	3.10	1.87
CPC Intl Inc ..... N	77.00	- 2.00	- 2.5	80.50	77.00	88.50	46.50	21,771	4.47	7.79	- 42.6	19.0	2.20	2.9	.....	9 mos.	09-86	1157.5	1051.4	59.0	14.4	1.21	.30	3346.9	3138.4	145.7	90.1	2.99	1.85
Dean Foods ..... N	30.13	.50	1.7	30.63	29.38	33.69	25.13	2,739	1.03	.63	63.5	19.7	.46	1.5	.....	*	08-86	NC	NC	NC	NC	NC	NC	358.8	NC	10.7	NC	.40	NC
Doskocil Cos ..... O	1.00	.00	.0	1.06	1.00	2.31	1.00	1,897	.32	.54	- 40.7	16.7	.00	.0	.....	9 mos.	09-86	61.8	28.0	.5	.9	.01	.01	169.1	79.4	2.7	2.4	.05	.04
Ecolab Inc ..... M	23.63	.13	.5	23.75	23.38	29.19	19.88	4,757	1.75	2.41	- 27.4	14.3	.58	2.5	.....	3 mos.	09-86	199.0	187.1	9.8	8.8	.36	.33	199.0	187.1	9.8	8.8	.36	.33
Fleming Cos ..... N	35.88	2.00	5.9	36.50	33.88	44.88	31.00	3,685	1.69	1.46	15.8	14.6	1.00	2.8	.....	9 mos.	09-86	1794.4	1684.3	8.8	12.1	.40	.56	5765.0	5281.9	36.5	43.0	1.67	2.08
Fort How Pap ..... N	46.00	.13	.3	48.50	44.63	60.50	42.88	23,634	3.52	1.22	188.5	18.9	1.00	2.2	.....	9 mos.	09-86	450.1	362.9	42.5	44.1	.63	.69	1163.7	1044.6	126.3	121.1	1.88	1.91
Heinz, HJ ..... N	43.00	2.13	5.2	44.13	39.88	48.25	29.25	21,528	1.61	.80	101.3	19.3	1.00	2.3	.....	3 mos.	07-86	1084.4	1048.1	85.7	81.6	.62	.59	1084.4	1048.1	85.7	81.6	.62	.59
Hormel, George ..... A	34.88	.88	2.6	35.00	33.88	35.00	22.13	1,366	.71	.17	317.6	17.2	.80	1.7	NEW	fiscal	10-86	552.2	430.5	16.1	13.9	.83	.72	1960.2	1502.2	39.4	36.6	2.03	2.01
Intl Multifood ..... N	26.75	- .38	- 1.4	27.63	26.50	31.53	23.44	1,860	1.33	.88	49.4	13.9	1.18	4.4	.....	6 mos.	08-86	372.7	316.3	5.2	5.5	.36	.45	736.2	637.6	7.9	8.3	.57	.67
James River ..... N	33.13	- 1.25	- 3.6	34.75	32.88	35.00	22.00	18,114	2.23	1.86	19.9	18.9	.40	1.2	NEW	6 mos.	10-86	1160.4	674.5	36.2	28.6	.43	.54	2230.1	1304.4	82.4	52.3	1.01	1.03
Kellogg ..... N	53.50	.88	1.7	54.25	51.25	58.75	31.50	12,552	1.02	.73	39.7	21.8	1.08	2.0	.....	9 mos.	09-86	866.2	794.9	102.8	93.6	.83	.76	2531.4	2212.1	248.5	226.9	2.01	1.84
Kraft Inc ..... N	51.25	1.13	2.2	51.88	48.50	65.88	38.88	18,971	1.41	1.19	18.5	17.4	1.72	3.4	.....	9 mos.	09-86	1266.8	2499.3	21.2	116.1	.17	.80	6327.8	7283.6	294.2	337.0	2.06	2.33
Litton Ind ..... N	80.25	- 1.88	- 2.3	83.25	80.00	92.25	71.75	3,114	1.14	1.64	- 30.5	36.1	.00	.0	NEW	3 mos.	10-86	1064.1	1102.9	34.3	43.7	1.26	1.56	1064.1	1102.9	34.3	43.7	1.26	1.56
Manitowoc ..... M	19.25	.00	.0	20.00	19.00	23.50	16.00	1,007	.93	1.49	- 37.6	NE	.80	4.2	.....	3 mos.	09-86	63.9	34.7	4.7	3.5	.43	.32	63.9	34.7	4.7	3.5	.43	.32
McCormick ..... M	42.75	.00	.0	43.13	42.63	45.25	33.25	2,768	2.30	1.91	20.4	17.9	.88	2.1	.....	9 mos.	08-86	235.2	205.7	.4	3.8	.34	.31	681.9	605.8	8.5	10.9	1.01	.89
Oneida Ltd ..... N	13.13	- .13	- .9	13.63	12.88	18.63	9.88	968	1.43	1.23	16.3	35.5	.40	3.0	NEW	9 mos.	10-86	75.0	70.0	1.7	3.2	.26	.48	204.9	191.7	1.1	.4	.15	.05
Philip Morris ..... N	75.38	1.13	1.5	75.88	72.38	78.00	39.81	43,603	1.82	1.36	33.8	13.0	3.00	4.0	.....	9 mos.	09-86	6398.0	3834.8	414.0	394.0	1.73	1.65	18856.0	10668.4	1197.0	972.1	4.63	4.05
Procl & Gambl ..... N	77.75	.00	.0	81.00	76.75	82.50	60.75	17,089	1.02	.83	22.9	18.0	2.70	3.5	.....	3 mos.	09-86	4356.0	3605.0	273.0	250.0	1.61	1.49	4356.0	3605.0	273.0	250.0	1.61	1.49
Quaker Oats ..... N	83.50	1.00	1.2	86.00	81.25	86.00	54.75	6,426	1.75	1.98	- 11.6	17.9	1.60	1.9	.....	3 mos.	09-86	960.3	845.6	33.4	27.7	.85	.68	960.3	845.6	33.4	27.7	.85	.68
Ralston Purina ..... N	72.25	- 1.50	- 2.0	74.75	72.25	77.00	45.50	9,668	1.27	1.19	6.7	15.4	1.10	1.5	.....	fiscal	09-86	1604.2	1428.2	65.4	58.9	.82	.73	5514.6	4963.0	263.5	258.4	4.70	3.15
Reynolds Metal ..... N	41.38	- 1.75	- 4.1	44.00	41.00	52.75	33.75	3,623	1.68	1.47	14.3	26.7	1.00	2.4	.....	9 mos.	09-86	910.8	875.8	23.0	(303.8)	.91	(14.02)	2775.0	2608.7	51.3	(293.2)	1.91	(13.56)
Rykoff-Sexton ..... N	25.50	- .25	- 1.0	26.25	25.38	32.38	21.88	2,305	3.32	.78	325.6	26.0	.60	2.4	NEW	6 mos.	10-86	278.3	247.0	2.3	2.5	.33	.36	545.6	469.9	3.9	5.7	.56	.82
Rymer Co ..... N	20.50	1.75	9.3	20.50	18.75	23.00	15.13	337	1.10	.74	48.6	17.4	.00	.0	.....	9 mos.	07-86	70.1	23.2	2.3	1.0	.71	.29	184.6	65.0	3.4	2.9	.76	1.03
Sara Lee ..... N	68.63	- 1.75	- 2.5	71.00	68.38	73.63	47.13	7,496	1.41	1.24	13.7	16.5	2.00	2.9	.....	3 mos.	09-86	2080.0	1944.6	53.0	46.9	.96	.84	2080.0	1944.6	53.0	46.9	.96	.84
Scott Paper ..... N	65.00	1.00	1.6	66.63	63.75	66.63	46.25	6,576	1.76	1.41	24.8	13.3	1.36	2.1	.....	9 mos.	09-86	820.6	765.6	38.2	56.3	1.01	1.24	2450.6	2222.9	133.6	151.5	3.58	3.21
Stanley Wks ..... M	17.63	- 1.00	- 5.4	18.63	17.63	28.00	14.38	2,229	2.24	1.92	16.7	19.8	.16	.9	.....	9 mos.	09-86	33.6	30.1	2.3	2.2	.22	.21	94.2	84.2	6.0	5.3	.58	.51
Smucker, JM ..... N	44.50	2.50	6.0	44.50	41.00	61.75	37.25	590	.80	.40	100.0	20.0	.60	1.3	NEW	6 mos.	10-86	78.1	71.5	4.3	4.3	.59	.57	147.9	135.6	8.8	8.4	1.20	1.13
Staley Cont ..... N	28.00	- .75	- 2.6	29.50	27.88	34.63	22.88	11,134	3.85	4.31	- 10.7	31.8	.80	2.9	.....	fiscal	09-86	863.9	738.4	18.2	(5.5)	.63	(.20)	2968.7	2707.9	26.2	8.6	.86	.19
Sysco Corp ..... N	27.75	- .50	- 1.8	28.88	27.63	33.88	21.31	5,3[illegible]	1.22	.86	84.8	20.1	.28	1.0	.....	3 mos.	09-86	878.0	734.7	16.2	14.2	.37	.33	878.0	734.7	16.2	14.2	.37	.33
Tyson Food Inc ..... M	24.25	.63	2.6	25.63	23.63	31.75	12.88	5,261	1.24	1.01	22.8	20.6	.04	.2	.....	fiscal	09-86	460.0	291.1	14.8	8.7	.34	.20	1563.7	1135.7	50.9	34.8	1.16	.80
Wellbilt Cp ..... M	23.75	.75	3.3	24.25	23.25	27.00	14.25	980	1.85	1.02	81.4	12.0	.00	.0	.....	9 mos.	09-86	55.0	42.0	2.6	1.9	.49	.41	148.4	113.9	7.3	5.6	1.44	1.22
Wilson Foods ..... M	9.38	- .13	- 1.3	9.50	9.25	11.13	5.38	1,586	2.20	4.25	- 48.2	NE	.00	.0	.....	fiscal	07-86	362.1	390.9	2.5	(5.3)	.54	(.90)	1454.2	1533.2	(24.5)	(16.7)	(3.98)	(2.69)

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

Productivity emerges as crucial issue in food-service industry

The National Restaurant Association (NRA) tried to be upbeat. But the underlying message of its economic forecast for the food-service industry could not be ignored: Things are going to get worse before they get better. The reporters assembled at the Waldorf-Astoria hotel in New York for the news conference pressed the association officials for diagnoses and

On Finance

Rick Telberg

prognoses. Judging by the responses offered by the association's top elected officials, the restaurant industry faces a long period of painful adjustment. If there is a thread, it may be that productivity is moving to center stage as an industry concern.

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Here's G. Jim Hasslocher, the chairman and president of the NRA, suggesting the heyday of the restaurant business may have faded:

"Right now there's an oversupply of restaurants. You'll see some recycling as some of the major companies come in and take over some of those physical plants. But mostly you'll see less units being built and more remodels being done. I think some of the major companies will go offshore because that's where the real growth is.

"But how long will it take? Well," he said after a long pause for thought, "with the population rate slowing down, you know, we're going to face a major labor shortage in the 1990s."

Here's Michael Grisanti, NRA vice president, arguing that the industry's biggest achievements will be gauged, not by growth, but by profitability:

"It really boils down to a matter of productivity. As construction costs go up, operators are looking for ways to get the returns they're used to. You see it with double drive-thrus. You see productivity increases with home delivery. And you see the same kind of productivity issues within the full-service sector, where you're not seeing the 10,000- or 20,000-square-foot building any longer. You're seeing instead 7,000 or 6,000 or 5,000 square feet."

Here's Jim Peterson, NRA treasurer, asserting that the food-service industry grew fat and lazy on a steady diet of inflation:

"One very important thing is that we look at our points of reference. Most of the managers in food service today have grown up in an inflationary economy where the points of reference ranged from 8% to 14% inflation. A lot of people built businesses projecting increases from that reference point. But they didn't believe that inflation would pull back to where it is today. So people have found themselves high on the capital-entry end of the business and low on volume."

* * *

Cash on the Cracker Barrel: Cracker Barrel (recent price: $16.50) is uncorking new interest on Wall Street.

The company, which operates 47 full-service restaurants with gift shops, saw its stock spike upward to about $22 from $15 in only six weeks earlier this year because investors believed that European terrorism would prompt Americans to vacation at home rather than abroad. Cracker Barrel, with its outlets on interstate highways, was expected to benefit. The U.S. tourism boom never materialized, and the stock has slowly slunk back.

But a small coterie of analysts have latched onto the stock, claiming that its growing pains are history.

"Cracker Barrel is on a roll," said Craig Weichmann at Morgan Keegan & Co. in Memphis, Tenn. Neal Kaplan at Interstate Securities in Charlotte, N.C., gives the stock his top rating, advising investors to pay up to $18 per share for a target price of $24 in 12 to 18 months.

Terming it "one of the few restaurant companies experiencing strong sales and earnings momentum," John Weiss at Montgomery Securities in San Francisco figures the stock is cheap at about four times 1987 cash flow when most other restaurant stocks are trading at almost seven times cash flow.

Bryan C. Elliott at Robinson-Humphrey Co. in Atlanta recently began recommending the stock for long-term accounts. But he is holding off on a short-term buy because he doesn't believe restaurant stocks in general will come back into favor until sometime in the first half of next year.

* * *

Interest rates stable: Eggert Economic Enterprises Inc., which averages the forecasts of about 50 business economists to divine a consensus, suggested that interest rates would remain relatively stable through the first half of 1987. But then, a low personal savings rate, a rise in inflationary expectations and a modest growth in business credit demand could start to press rates upward.

* * *

Big Mac tracks: McDonald's has told Wall Street that its traffic counts were flat through most of November, which was better than the losses in September and October. Not bad for a company that has raised prices by maybe as much as 6% in the past year.

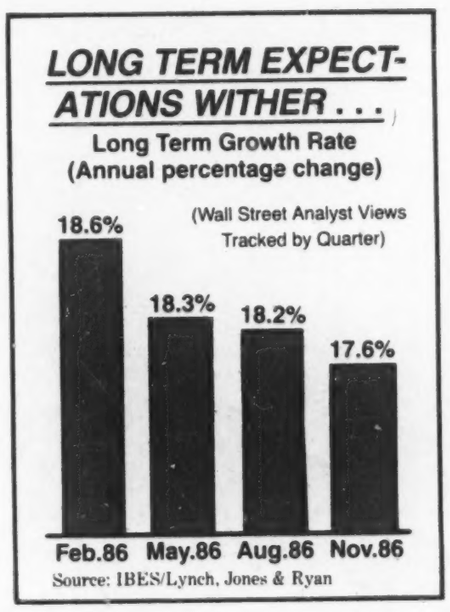
Wall Street: Restaurant outlook turns cloudier

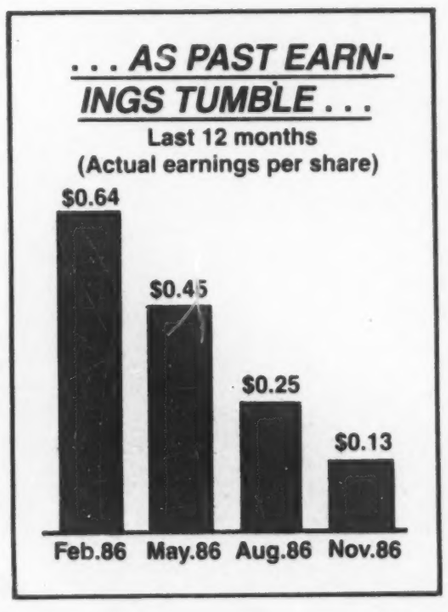
NEW YORK — Restaurant industry financial analysts appear to be turning increasingly sour on the business, a new Wall Street survey suggested.

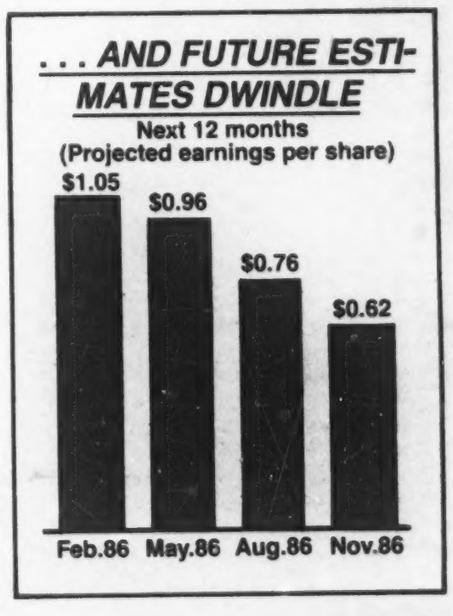
The Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, reported that Wall Street expects 17.6% annual earnings growth from restaurant companies over the next five years, down a full percentage point from the first quarter's estimates.

In addition, the earnings estimates for the upcoming 12 months have also been pared to an average of 62¢ per share in the current quarter from $1.05 in the year's first quarter.

At the same time, actual earnings for the trailing 12 months have also deteriorated, to 13¢ per share, from 64¢.







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NRN FINANCIAL DIGEST

Holiday revamp will slash profits

MEMPHIS, Tenn. — Holiday Corp. said that, because of increased interest expense, it expects its net income to drop sharply after its proposed recapitalization plan. However, the company also said it expects net income, including asset-sale gains, to be $60 million in 1987 and remain at about that level through 1990, with an increase to $85 million in 1991. Last year Holiday netted $150 million on revenue of $1.8 billion.

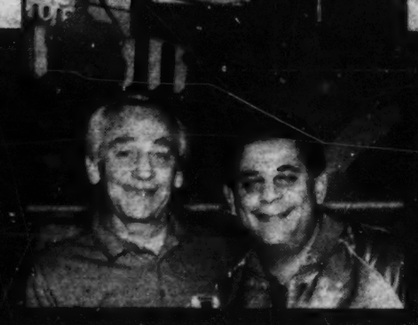
Restaurant profits down at Pillsbury

MINNEAPOLIS — Pillsbury Co. said its restaurant division's operating profit in the second quarter ended Nov. 30 would be below the year-ago level. The company blamed lower-than-expected store-level profits at Burger King, widespread increases in insurance costs, weak traffic counts at Steak and Ale and the costs of repositioning it. But it also said same-store sales at Burger King have been running 3% ahead of last year's since August and Godfather's Pizza's traffic trends turned positive in September.

USA Cafes posts flat fourth quarter

DALLAS — USA Cafes Inc., the franchisor of the Bonanza restaurant chain, reported earnings of $880,000 in the fourth quarter ended Sept. 30, little changed from the year-ago $873,000. Revenue rose 10%, to $5.9 million.

From staff and wire reports



Tail o' the Pup is wagging again

Return of a classic Page 3

C-stores discover the one-s

Equipment

D'Lites to Atlanta: ght'

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NATION'S RESTAURANT NEWS 20 1967-1987

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B. Smith's puts mark on B'way

Ark venture spins broad ethnic style

By Ken Frydman

NEW YORK — Eclectic ethnic cuisine was introduced last month to the evolving Broadway theater district by Barbara Smith, a former high-fashion model, and her partner—Ark Restaurants Corp., the publicly held company headed by Michael Weinstein.

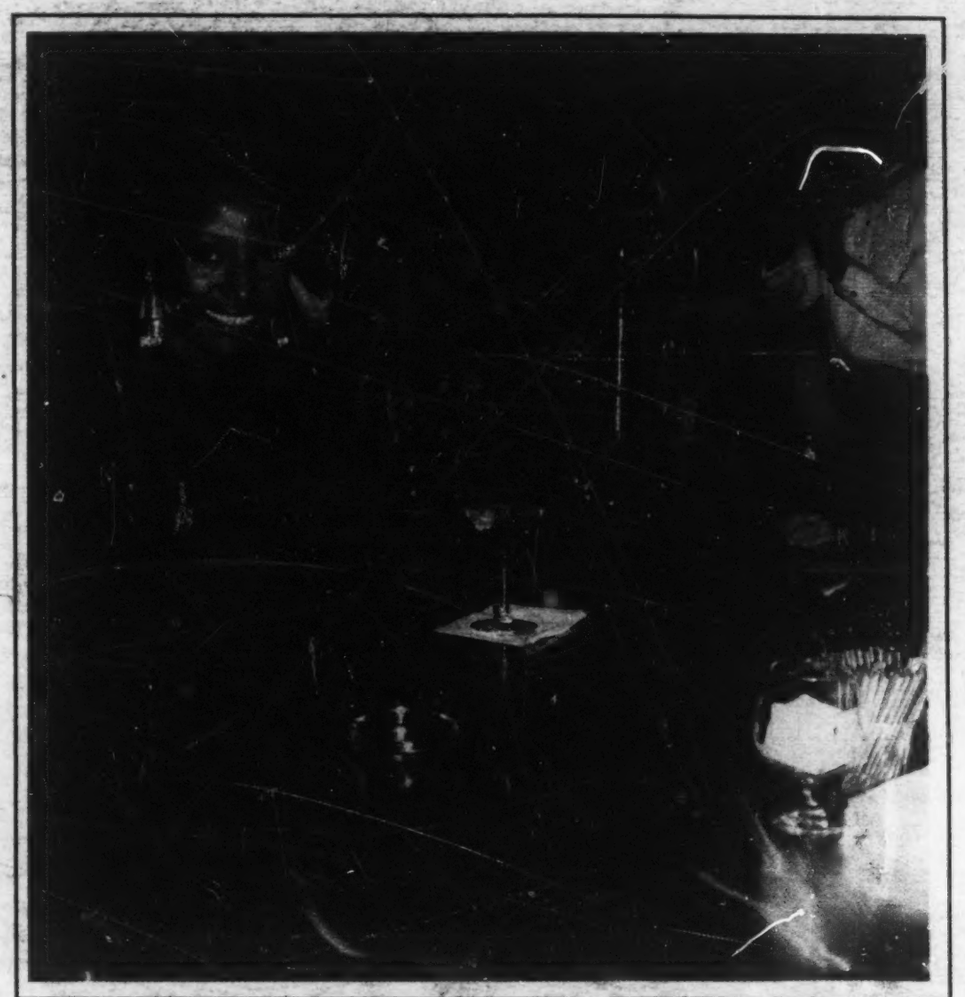
B. Smith's Restaurant, opened Nov. 22 in the 5,000-sq.-ft. building that previously housed a Hardee's and then the Old Buenos Aires restaurant, combines the talents and money of Weinstein; his longtime collaborator, Ernie Bogen; executive chef Bill Laylor; and Smith.

Menu items include grilled duck sausage; pot licker and pork chop dunk; tepid vermicelli tossed with lobster; indigo penne with vegetables; and a salad of pan-blackened tenderloin, roast shallots and bittergreens.

With her preferred dishes on the menu, her architectural and design preferences stamped on the interior and exterior and her name on the door, matches and cocktail napkins, this is indisputably Barbara Smith's restaurant: a chic, sleek, ultracontemporary, 250-seat New York dining space.

Weinstein, whose other one-of-a-kind Manhattan-based Ark restaurants include the cavernous Ernie's and America, the Metropolitan Cafe and the brand-new Big Kahuna, reportedly gave his former America floor manager carte blanche to create her own namesake restaurant at the northwest corner of Eighth Ave. and 47th St.

*(See **B. SMITH'S**, page 55)*



NRN Photo/Ken Frydman

Co-owner Barbara Smith at the bar in B. Smith's.

Edelman group wins Ponderosa

Office out; Russo could stay

By Charles Bernstein

DAYTON, Ohio — A New York investment group led by Asher B. Edelman, who is chairman of three corporations, was poised at press-time to take over Ponderosa Inc. in a deal valued at $278 million for all 9.76 million common shares outstanding.

Office

Russo

Edelman

Edelman, who earlier purchased 18.5% of the shares, would acquire the remainder for $29.25 a share under an agreement that is slated for consummation this month. Ponderosa agreed to the tender offer deal after Edelman's group raised the original price from $27.50 a share to $29.25 and after Ponderosa had alternately explored and rejected any options for a management buyout, restructuring, recapitalization or "white knight."

"We could not in good conscience reject Asher Edelman's latest offer as it is an excellent one for our stockholders," declared Ponderosa chief financial officer James Thompson. (Ponderosa had blocked takeover efforts by General Host in 1980 and by USACafes in 1985.)

The deal will mark the departure of chairman-chief executive officer Gerald Office, driving force of Ponderosa since joining it as an attorney in the late 1960s.

*(See **EDELMAN**, page 53)*

FOOD WATCH

New menus, California style

LOS ANGELES — Three of this city's most popular California-style restaurants are showcasing some of the genre's latest permutations on brand-new menus.

Celebrating its 6th anniversary, Trumps has reintroduced such house classics as potato pancakes with goat cheese and sautéed apples and warm scallop salad with oyster mushrooms and bacon. Among chef-partner Michael Roberts' best-selling new dishes is soy-ginger-marinated catfish, pan fried and served with fennel, red pepper, snow peas, water chestnuts, baby corn and a sauce of fermented black beans.

At 385 North, chef-owner Roy Yamaguchi augmented his signature dim sum, grill and dessert offerings with such new creations as an appetizer *cassoulet* of fresh oysters with prosciutto, corn and asparagus in red wine sauce and a main-course *escalope* of salmon with caramelized Maui onions.

Bistango's chef, Dale Payne, is offering some assertive new flavors—like those in his pungent and tangy *penne putanesca* pasta dish—to go with his philosophy of food and wine. A fan of California's full-bodied cabernets and chardonnays, Payne says: "The cuisine of a region should be determined by the wines of the region." —**Richard Martin**

Additional food news, page 10 and elsewhere inside

Long John Silver's rolls Cajun dish, plans to expand broiled seafood test

By Don Jeffrey

LEXINGTON, Ky. — Long John Silver's, the nation's biggest quick-service seafood chain, has rolled out its first Cajun-style product—breaded shrimp—and is testing at least two other seafood items.

But its long-awaited nationwide introduction of a broiled seafood line is still at least a year away, the company has said. It has decided to expand the test of broiled seafood this year from three to six markets.

Attempting to occupy a niche as an alternative to other fast-food chains, Long John's has said it will move away from dependence on only fried fish. Its most recent rollout was a seafood salad line. In test now in about 80 units are chowders and gumbo.

*(See **LJS**, page 55)*

Forecast & Trends report:

NEW YORK — The same problems that haunted food service in 1986—vicious competition, flat sales, high insurance costs—will again stalk the industry in 1987.

Leading prognosticators said they expect a sluggish economy and cautious consumer spending patterns to retard sales. After adjustments for inflation, they will rise about 2.4%, the National Restaurant Association predicted.

Other highlights of Nation's Restaurant News' annual Forecast & Trends Focus section, beginning on Page F1:

- **Total industry sales may reach the $200 billion mark. Page F3.**
- **Senate Democrats may mount a serious campaign to boost the minimum wage from its current $3.35-an-hour level. Page F7.**
- **Upscale independent operators will broaden their experiments with multi-ethnic menus, resulting in a fusion cuisine called American Eclectic. Page F5.**
- **More operators will cater to "grazers" by offering a wide variety of appetizers. Page F5.**